

CONFIDENTIAL

**CONNECTICUT STATE ETHICS COMMISSION
20 TRINITY STREET
HARTFORD, CONNECTICUT 06106-1660**

COMPLAINT

The State Ethics Commission issues a complaint alleging a violation of:

 X The Code of Ethics For Public Officials and
State Employees, Chapter 10, Part I, General Statutes

 The Code of Ethics for Lobbyists, Chapter 10, Part II,
General Statutes

Time and date matters complained of occurred: 12/10/02 and 1/22/04.

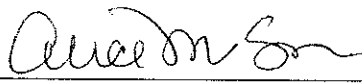
Place violation occurred: Connecticut

Persons involved: Konover Properties Corp. and related business entities and several
state employees and public officials

Witnesses: To be identified 10 days prior to any hearing held in this matter, pursuant to
Conn. Gen. Stat. § 1-82.

Circumstances which indicate that the Code of Ethics designated above was violated are
as follows (a short, plain statement alleging a violation of Chapter 10, General Statutes):

See attached complaint.



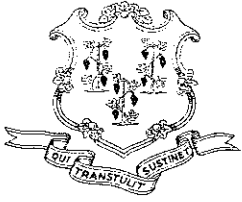
Signature

 5/2/05
Date

Complainant's Name and Address: State Ethics Commission
20 Trinity St., Suite 205
Hartford, CT 06106-1660

Complainant's Telephone Number: (860)566-4472

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STATE OF CONNECTICUT

STATE ETHICS COMMISSION

CONFIDENTIAL

DOCKET NUMBER 2005-5 : STATE ETHICS COMMISSION
IN THE MATTER OF A : 20 TRINITY STREET
COMPLAINT AGAINST : HARTFORD, CT 06106
KONOVER PROPERTIES CORP. : MAY 2, 2005

COMPLAINT

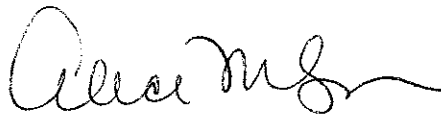
1. The Respondent, Konover Properties Corporation, formerly known before January 1, 2004 as Konover Investments Corporation (hereinafter referred to as "the Respondent") is a Connecticut corporation.
2. At all times relevant herein, the Respondent and one or more related business entities were doing business with the State of Connecticut, including but not limited to the State Department of Public Works, the Connecticut Housing Finance Authority, and the State Department of Economic and Community Development.
3. On two occasions in the past three years, the Respondent and one or more related business entities hosted a party at which state employees and/or public officials from the aforementioned and other agencies, were in attendance, and for which the state employees and/or public officials in attendance did not pay, nor reimburse the host within thirty days of the event, for the benefits received, *to wit*:
 - a. On or about December 10, 2002, the Respondent and one or more related business entities hosted a party at which approximately forty-six (46) state employees and/or public officials were among the approximately 643 people in attendance. The value of the food and beverages that were directly and personally received by said attendees was approximately \$115.00 per person. This party was paid for, in part, by the Respondent (then known as Konover Investments Corporation). Upon information and belief, none of said state employees and/or public officials in attendance paid for, nor reimbursed for, the cost of the food and beverages they received; and
 - b. On or about January 22, 2004, the Respondent and one or more related business entities hosted a party at which approximately three state employees from the Department of Economic and Community Development and the Connecticut Housing Finance Authority were in attendance. The value of the food and

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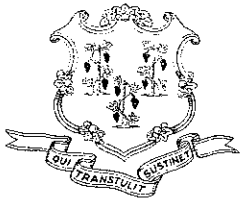
beverages that were directly and personally received by said attendees was approximately \$80.00 per person. This reception was paid for by the Respondent. Upon information and belief, none of said state employees in attendance paid for, nor reimbursed for, the cost of the food and beverages they received.

4. Connecticut General Statutes §1-84(m) prohibits a public official or state employee from knowingly accepting, directly or indirectly, any gift, as defined in Conn. Gen. Stat. §1-79(e), from any person the official or employee knows or has reason to know is doing business, seeking to do business with, or regulated by, the employee's or public officials' department or agency. That same section prohibits any person from giving a gift or gifts, directly or indirectly, in violation of that provision.
5. Regulations of Connecticut State Agencies §1-92-54(c) requires that in order to avoid attribution of an item as directly and personally received, the recipient must either return the item or reimburse the donor within thirty days.
6. Connecticut Gen. Stat. §1-79(e)(9) exempts from the definition of gift, food and beverage or both, costing less than fifty dollars (\$50) in the aggregate per recipient in a calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for the food or beverage, or his representative, is in attendance.
7. Each donation by the Respondent of food and beverage to a public official and/or state employee in excess of fifty dollars per calendar year without timely reimbursement, as described in paragraph 3 above, constitutes a gift within the meaning of Conn. Gen. Stat. §1-79(e).
8. By virtue of the above, the Respondent violated Conn. Gen. Stat. §1-84(m).

Dated at Hartford, Connecticut this 2nd day of May, 2005.



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STATE OF CONNECTICUT

STATE ETHICS COMMISSION

DOCKET NUMBER 2005-5 : STATE ETHICS COMMISSION
:
IN THE MATTER OF A : 20 TRINITY STREET
:
COMPLAINT AGAINST : HARTFORD, CT 06106
:
KONOVER PROPERTIES CORP. : MAY 2, 2005

STIPULATION AND ORDER

Pursuant to Connecticut General Statutes §4-177(c), the State Ethics Commission (“Commission”) and the Respondent, Konover Properties Corporation, (hereinafter “the Respondent”) agree to settle this matter in the manner described below:

1. WHEREAS, on May 1, 2005, the Commission filed a Complaint against the Respondent alleging that it violated the Code of Ethics for Public Officials, Conn. Gen. Stat. §1-79 *et seq.*
2. WHEREAS, the Respondent has fully cooperated with the investigation by the State Ethics Commission.
3. WHEREAS, the Respondent submits that the violations were unintentional and the result of failing to fully understand its responsibilities as a state contractor under the Code of Ethics for Public Officials. The Respondent further states that with regard to the 2002 event alleged in the Complaint, it and its related business entities controlled only a portion of the guest list, and a number of the state employees and public officials who may have been in attendance were invited and paid for by another entity not controlled by the Respondent.
4. WHEREAS, the Commission finds that the Respondent violated the Code of Ethics for Public Officials, Conn. Gen. Stat. §1-79 *et seq.* as alleged in the Complaint.
5. WHEREAS, the Respondent waives any rights it may have under Conn. Gen Stat. §§1-93, 1-93a, 1-98 and 1-80, including the right to a hearing or any appeal in this case, and agrees with the Commission to an informal disposition of this matter.

6. WHEREAS, this Stipulation and Order concludes the Commission's investigation into the conduct of the Respondent.

NOW THEREFORE, and in consideration of the above, pursuant to Conn. Gen. Stat. §4-177(c), the State Ethics Commission enters, and the Respondent agrees to, the following orders in lieu of any other action regarding this matter:

1. The Respondent shall pay a civil penalty of \$7,700.00 to the Ethics Commission within thirty (30) days of the signing of this Stipulation and Order by all parties; and
2. The Respondent shall henceforth comply with the Codes of Ethics for Public Officials.

The Respondent, Konover Properties Corp.
By: _____
Its _____

Date

State Ethics Commission
By: Its Chairperson
Hugh Macgill

Date